

**Housing Authority of the  
CITY OF GRAMBLING  
Grambling, Louisiana**

**Annual Financial Report  
As of and for the Year Ended September 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/16/08

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**  
Grambling, Louisiana  
Basic Financial Statements  
As of and for the Fiscal Year Ended September 30, 2007  
With Supplemental Information Schedules

**CONTENTS**

	Exhibit	Page
<b>Independent Auditor's Report</b>		3
<b>Management's Discussion and Analysis</b>		5
<b>Basic Financial Statements:</b>		
Statement of Net Assets	A	13
Statement of Revenues, Expenses and Changes in Net Assets	B	15
Statement of Cash Flows	C	16
Notes to the Financial Statements		17
 <b>Independent Auditor's Reports Required by <i>Government Auditing Standards</i>; OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i>; and the <i>Single Audit Act Amendments of 1996</i>:</b>		
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>		26
Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133		28
Schedule of Current Year Findings and Questioned Costs	1	31
Schedule of Prior Audit Findings	2	33
<b>Supplemental Information Schedules</b>		
Schedule of Compensation Paid Board Members	3	34
Schedule of Expenditures of Federal Awards	4	35
Financial Data Schedule	5	37
Status of Prior Year Management Letter Items		39

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
**Housing Authority of the City of Grambling**  
Grambling, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of the City of Grambling (the authority) as of and for the year ended September 30, 2007, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Grambling as of September 30, 2007, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana  
Independent Auditor's Report, 2007  
Page Two

In accordance with *Government Auditing Standards*, I have also issued my report dated March 25, 2008 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis listed in the table of contents, is not a *required part of the basic financial statements but is supplemental information required* by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the authority's basic financial statements. The financial data schedule and other supplementary information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the authority. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 25, 2008

**HOUSING AUTHORITY OF GRAMBLING, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**SEPTEMBER 30, 2007**

**The management of Public Housing Authority of Grambling, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2007. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.**

#### **FINANCIAL HIGHLIGHTS**

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,695,628 at the close of the fiscal year ended 2007.
  - ✓ Of this amount \$1,936,843 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
  - ✓ The remainder of \$758,785 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 93% of the total operating expenses of \$817,023 for the fiscal year 2007, which means the Authority might be able to operate about 10 months using the unrestricted assets alone, which compares favorably with 8 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$159,664, a 6% change from the prior fiscal year 2006. This increase is attributable to increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by an increase in unrestricted cash by \$88,288 from fiscal year 2006, primarily due to spending \$97,783 less for operations than Federal funds received for operations; spending \$7,016 more for capital assets than Federal capital grants received.
- The Authority spent \$13,228 on capital asset additions and \$164,332 on construction in progress during the current fiscal year.
- These changes led to an increase in total assets by \$159,551 and a decrease in total liabilities by \$113. As related measure of financial health, there are still over \$17 of current assets covering each dollar of total current and long-term liabilities, which compares favorably with \$14 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

### **Reporting on the Housing Authority as a Whole**

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2007?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

### **Fund Financial Statements**

The Housing Authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

### **USING THIS ANNUAL REPORT**

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Housing Choice Vouchers
- Public Housing Capital Fund Program
  
- Disaster Voucher Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

### **FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$2,695,628 as of September 30, 2007. Of this amount, \$1,936,843 was invested in capital assets, and the remaining \$758,785 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

Housing Authority of Grambling, Louisiana  
Management's Discussion and Analysis (MD&A)  
September 30, 2007

**CONDENSED FINANCIAL STATEMENTS**

**Condensed Balance Sheet  
(Excluding Interfund Transfers)  
As of September 30,**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current assets	\$ 806,561	\$ 663,179
Capital assets, net of depreciation	<u>1,936,843</u>	<u>1,920,674</u>
Total assets	<u>2,743,404</u>	<u>2,583,853</u>
<b>LIABILITIES</b>		
Current liabilities	40,333	47,326
Non-current liabilities	<u>7,443</u>	<u>563</u>
Total liabilities	<u>47,776</u>	<u>47,889</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of depreciation	1,936,843	1,920,674
Unrestricted net assets	<u>758,785</u>	<u>615,290</u>
Total net assets	<u>2,695,628</u>	<u>2,535,964</u>
Total liabilities and net assets	<u>2,743,404</u>	<u>2,583,853</u>

Housing Authority of Grambling, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 September 30, 2007

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net assets of these funds increased by \$159,664, or by 6%, from those of fiscal year 2006, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 (Excluding Interfund Transfers)  
 Fiscal Year Ended September 30,**

	<u>2007</u>	<u>2006</u>
<b>OPERATING REVENUES</b>		
Tenant rental revenue	\$ 102,629	\$ 107,805
<b>OPERATING EXPENSES</b>		
Federal Housing Assistance Payments (HAP) to landlords	324,051	407,738
Administration	177,861	157,710
Depreciation	155,076	150,349
Maintenance and repairs	77,297	76,291
General	70,266	60,897
Utilities	12,473	14,189
Total operating expenses	<u>817,024</u>	<u>867,174</u>
(Losses) from operations	<u>(714,395)</u>	<u>(759,369)</u>
<b>NON-OPERATING REVENUES</b>		
Federal grants for operations	682,591	703,431
Other non-tenant revenue	20,923	13,347
Fraud Recovery	-	1,492
Total Non-Operating Revenues	<u>703,514</u>	<u>718,270</u>
(Losses) after non-operating revenues	<u>(10,881)</u>	<u>(41,099)</u>
<b>OTHER CHANGES IN NET ASSETS</b>		
Federal grants for capital expenditures	<u>170,545</u>	<u>148,336</u>
<b>NET INCREASES IN NET ASSETS</b>	159,664	107,237
<b>NET ASSETS, beginning of fiscal year</b>	<u>2,535,964</u>	<u>2,428,727</u>
<b>NET ASSETS, end of fiscal year</b>	<u>2,695,628</u>	<u>2,535,964</u>

## EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues increased only \$2,274, or by just 0.2%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal Capital Funds from HUD increased by \$22,209, or by 15% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2003 through 2006, and submitted a new grant during fiscal year 2008.
- Federal revenues from HUD for operations decreased by \$20,840, or by 3% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was a decrease in the number of eligible tenants receiving subsidies, so Housing Assistance Grants decreased accordingly, lowering the overall total.
- Total other non-operating revenue increased by \$6,038 from that of the prior fiscal year, because the Authority received proceeds from casualty insurance claims, which are recorded as other income by the Authority in the year received.
- Total tenant revenue decreased by \$5,176, or by 5% from that of the prior fiscal year, due to two major factors: Tenant rental revenues decreased by \$4,768, or by 4%, because occupancy rates decreased by 15%, and because the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes decreased, so rent revenue from these tenants decreased accordingly, lowering the overall total. Finally, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) decreased by \$408, or by 100%.
- Interest income totaling \$326, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating and non-operating expenses decreased \$50,151, or by 6%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Housing Assistance Payments to landlords decreased by \$83,687, or by 21% from that of the prior fiscal year, because there was a decrease in the number of tenants qualifying for subsidy during the year.
- Administrative Expenses increased by \$20,276, or by 13% from that of the prior fiscal year, due to a combination of offsetting factors: Administrative staff salaries increased by \$4,730, or by 6%, staff vacation and sick leave pay increased by \$4,485, and related employee benefit contributions increased by \$3,409, or by 19%; therefore, total staff salaries and benefit costs increased by 15%. In addition, audit fees increased by \$2,824, or by 29%, but accounting fees decreased by \$1,209, or by 14%; thus, total outside professional fees increased by 9%. Finally, staffs travel reimbursements increased by \$19,004, and staff training costs increased by \$8,430, but sundry expenses decreased by \$21,396; therefore, other staff administrative expense increased by 10%.

Housing Authority of Grambling, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 September 30, 2007

- General Expenses increased by \$9,369, or by 15% from that of the prior fiscal year, primarily because insurance premiums increased by \$6,099, or by 18%, since property and casualty insurance premiums increased. Also, other general expenses increased by \$2,232, or by 15%.
- Depreciation expense increased by \$4,727, or by 3% from that of the prior fiscal year, because there was an increase in capital assets by \$177,560.
- Utilities Expense decreased by \$1,716, or by 12% from that of the prior fiscal year, primarily because electricity cost decreased by \$1,281, gas cost decreased by \$360, and other utilities expense (such as garbage, sewage, and waste removal) decreased by \$289, or by 54%.
- Maintenance and repairs increased by \$2,206, or by 97% from that of the prior fiscal year, due to several major factors: Contract labor costs increased by \$14,558, or by 33%. On the other hand, repair staff wages decreased by \$1,490, or by 55%, materials used decreased by \$10,574, or by 39%, and extraordinary maintenance decreased by \$1,200, or by 100% from that of the prior fiscal year.
- Tenant services, totaling \$1,231, did not change significantly from the prior to the current year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At September 30, 2007, the Housing Authority had a total cost of \$5,140,391 invested in a broad range of assets and construction in progress from projects funded in 2003 through 2006, listed below. This amount, not including depreciation, represents increases of \$177,560 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation  
 As of September 30,**

	<u>2007</u>	<u>2006</u>
Land	\$ 120,589	\$ 120,589
Construction in progress	168,069	143,630
Buildings	1,600,149	1,603,539
Leasehold improvements	16,421	18,269
Furniture and equipment	31,615	34,647
Total	1,936,843	1,920,674

As of the end of the 2007 fiscal year, the Authority is still in the process of completing HUD grants of \$471,326 obtained during 2003 through 2006 fiscal years. A total remainder of \$192,032 will be received and \$92,588 will be spent for completing these projects during fiscal year 2008.

**Debt**

Non-current liabilities also include accrued annual vacation leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

Housing Authority of Grambling, Louisiana  
Management's Discussion and Analysis (MD&A)  
September 30, 2007

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2008 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Bridgett Tanner, at Public Housing Authority of Grambling, Louisiana; P.O. Box 626; Grambling, LA 71245.

**Housing Authority of the City of Grambling**  
**Grambling, Louisiana**  
**Statement of Net Assets**  
**As of September 30, 2007**

**ASSETS****Current assets**

Cash and cash equivalents	\$ 654,691
Receivables:	
HUD	112,577
Tenant rents, net of allowance	1,511
Miscellaneous, net of allowance	766
Prepaid insurance	19,773
Inventory, net of allowance	410
<b>Total current assets</b>	<u>789,728</u>

**Restricted assets**

Cash and cash equivalents	16,625
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**Noncurrent assets****Capital assets:**    **Nondepreciable capital assets:**

Land	120,589
Construction in progress	<u>168,068</u>
<b>Total nondepreciable capital assets</b>	<u>288,657</u>

**Depreciable capital assets:**

Buildings and improvements	4,653,520
Furniture and equipment	198,194
Less accumulated depreciation	<u>(3,203,527)</u>
<b>Total depreciable capital assets, net of accumulated depreciation</b>	<u>1,648,187</u>

<b>Total capital assets, net of accumulated depreciation</b>	<u>1,936,844</u>
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<b>Total assets</b>	<u>2,743,197</u> (continued)
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**Housing Authority of the City of Grambling**  
 Grambling, Louisiana  
 Statement of Net Assets  
 As of September 30, 2007

**LIABILITIES****Current Liabilities**

Accounts payable	4,827
Payable to other governments	9,012
Accrued wages payable	2,175
Accrued compensated absences	1,214
Other liability	2,551

<b>Total current liabilities</b>	<b>20,867</b>
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**Liabilities Payable from Restricted Assets**

Security deposit liability	16,625
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**Noncurrent liabilities**

Accrued compensated absences	7,442
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<b>Total noncurrent liabilities</b>	<b>7,442</b>
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<b>Total liabilities</b>	<b>44,934</b>
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**NET ASSETS**

Invested in capital assets, net of related debt	1,936,844
Restricted	-
Unrestricted	761,419

<b>Total net assets</b>	<b>\$ 2,698,263</b>
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The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Grambling**  
**Grambling, Louisiana**  
**Statement of Revenues, Expenses, and Changes In Net Assets**  
**For Fiscal Year Ended September 30, 2007**

<b>Operating Revenues</b>	
Annual contributions - Housing Assistance Payments	\$ 440,567
HUD administrative fee	54,379
Public housing operating subsidy	166,825
Operating Grants	20,672
Dwelling Rental	102,629
<b>Total operating revenues</b>	<u>785,072</u>
<b>Operating Expenses</b>	
Housing Assistance Payments	324,050
General and administrative	244,114
Repairs and maintenance	77,297
Utilities	12,472
Tenant services	1,231
Depreciation and amortization	155,075
<b>Total operating expenses</b>	<u>814,239</u>
<b>Operating income (loss)</b>	(29,167)
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	326
Miscellaneous revenues	20,595
<b>Total nonoperating revenues (expenses)</b>	<u>20,921</u>
<b>Income (loss) before other revenues, expenses, gains, losses and transfers</b>	(8,246)
Capital contributions (grants)	170,545
<b>Increase (decrease) in net assets</b>	162,299
<b>Net assets, beginning of year</b>	<u>2,535,964</u>
<b>Net assets, end of year</b>	<u>\$ 2,698,263</u>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Grambling  
Statement of Cash Flows  
For Fiscal Year Ended September 30, 2007**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from federal subsidies	\$ 628,082
Receipts from tenants	104,765
Payments to landlords	(324,050)
Payments to suppliers	(259,021)
Payments to employees	<u>(78,904)</u>
<b>Net cash provided by operating activities</b>	<u><b>70,872</b></u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Miscellaneous revenues	<u>20,595</u>
<b>Net cash provided by noncapital financing activities</b>	<u><b>20,595</b></u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from capital grants	170,545
Purchase and construction of capital assets	<u>(171,244)</u>
<b>Net cash (used in) capital and related financing activities</b>	<u><b>(699)</b></u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>326</u>
<b>Net cash provided by investing activities</b>	<u><b>326</b></u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u><b>91,094</b></u>
<b>Cash and cash equivalents - beginning of year</b>	<u><b>580,222</b></u>
Cash and Cash equivalents - unrestricted	654,691
Cash and Cash equivalents - restricted	16,625
<b>Total Cash and Cash Equivalents - end of year</b>	<u><b>\$ 671,316</b></u>

**Reconciliation of operating income (loss) to net cash provided by operating activities:**

Operating (loss)	\$ (29,167)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation and amortization	155,075
Changes in assets and liabilities:	
HUD receivable	(55,463)
Intergovernmental receivable, net	1,102
Tenant rents, net of allowance	627
Prepaid insurance	2,583
Inventories	(163)
Accounts payable	(4,548)
Accrued wages payable	1,365
PILOT Payable	(309)
Accrued compensated absences	(51)
Deferred Revenue	(1,473)
Other liability	(215)
Security deposit liability	<u>2,275</u>
<b>Net cash provided by operating activities</b>	<u><b>\$ 70,872</b></u>

The accompanying notes are an integral part of the financial statements

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**  
Grambling, Louisiana  
Notes to the Basic Financial Statements  
For Fiscal Year Ended September 30, 2007

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(1) Reporting Entity

The Housing Authority of The City of Grambling (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Grambling, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by GASB 14 as other legally separate organizations for which the elected authority members are financially accountable.

## HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2007 – Continued

The authority is a related organization of the City of Grambling, Louisiana since the city appoints a voting majority of the authority's governing board. The city is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the city. Accordingly, the authority is not a component unit of the financial reporting entity of the city.

### (2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, *Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments*, which was unanimously approved in June 1999 by the GASB.

## **HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana

Notes to the Financial Statements, 2007 – Continued

### **(3) Measurement focus and basis of accounting**

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

### **(4) Assets, liabilities, and net assets**

#### **(a) Deposits**

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

#### **(b) Inventory and prepaid items**

All inventories are valued on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### **(c) Restricted Assets**

Cash equal to the amount of tenant security deposits is reflected as restricted.

#### **(d) Capital assets**

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

## HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Notes to the Financial Statements, 2007 – Continued

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for HUD grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At September 30, 2007, the management of the authority established an allowance for doubtful accounts of approximately \$2.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of GASB Statement No. 16, *"Accounting for Compensated Absences,"* vacation and sick pay is accrued when incurred and reported as a liability.

Employees earn from 98 to 192 annual leave hours per year and may accumulate an unlimited number of annual leave hours. Employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

(h) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana

Notes to the Financial Statements, 2007 – Continued

and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B – DEPOSITS**

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of September 30, 2007, the authority's carrying amount of deposits was \$671,316, which includes the following:

Cash and cash equivalents-unrestricted	\$654,691
Cash and cash equivalents- restricted	16,625
Total	\$671,316

**Interest Rate Risk**—The authority's policy does not address interest rate risk.

**Credit Rate Risk**—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

**Custodial Credit Risk**—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$102,806 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$577,392 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at September 30, 2007 totaled \$608,198.

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana

Notes to the Financial Statements, 2007 – Continued

**NOTE C - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2007 was as follows:

	<u>9/30/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>9/30/2007</u>
<b>Nondepreciable Assets:</b>					
Land	120,589				120,589
Construction in Progress	143,630	164,150	-	(139,712)	168,068
<b>Depreciable Assets:</b>					
Building and improvements	4,519,944	183	-	133,393	4,653,520
Furniture and equipment	184,964	6,911	-	6,319	198,194
Total	<u>4,969,127</u>	<u>171,244</u>	<u>-</u>	<u>-</u>	<u>5,140,371</u>
Less accumulated depreciation					
Building and improvements	2,898,134	138,814	-	-	3,036,948
Furniture and equipment	150,318	16,261	-	-	166,579
Total accumulated depreciation	<u>3,048,452</u>	<u>155,075</u>	<u>-</u>	<u>-</u>	<u>3,203,527</u>
Net Capital Assets	<u>1,920,675</u>	<u>16,169</u>	<u>-</u>	<u>-</u>	<u>1,936,843</u>

**NOTE D – CONSTRUCTION COMMITMENTS**

The authority has active construction projects as of September 30, 2007. At year end, the commitments with contractors are as follows:

<u>Projects</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
CFP 2005	\$19,192	\$105,434
CFP 2006	3,860	139,576
Total	<u>\$23,052</u>	<u>\$245,010</u>

## **HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana

Notes to the Financial Statements, 2007 – Continued

### ***NOTE E – COMPENSATED ABSENCES***

At September 30, 2007, employees of the authority have accumulated and vested \$8,556 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$7,442 is reported in long-term debt.

### ***NOTE F - RETIREMENT PLAN***

The authority participates in the Housing-Renewal and Local Agency Retirement Plan, administered by Broussard, Bush & Hurst, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7.5 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute 5.5 percent of their annual covered salary.

The authority's contribution for each employee and income allocated to the employee's account are fully vested after two years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended September 30, 2007, was \$78,904. The authority's contributions were calculated using the base salary amount of \$78,156. The authority made the required contributions of \$5,862 for the year ended September 30, 2007.

## HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana  
Notes to the Financial Statements, 2007 – Continued

### NOTE G – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

### NOTE H – CONTINGENCIES, COMMITMENTS AND SUBSEQUENT EVENTS

In July of 2007 the Grambling Housing Authority (GHA) entered into a Developer Services Agreement whereby the GHA agrees to be the Managing General Partner of Pine Ridge Subdivision, A Louisiana Partnership In Commendam (partnership). The partnership proposes to develop and own a 30 house subdivision using LIHTC and HOME funds. The GHA asserts that, as of the audit completion date, the partnership has not completed nor committed to any no financial transactions.

Were the partnership to enter into any financial transactions that would almost certainly cause a breach the Annual Contributions Contract (ACC) with HUD by the GHA. The ACC precludes the GHA from placing GHA assets at risk without the prior written approval of HUD.

Furthermore, *were the GHA to participate in the LIHTC program in violation of the ACC, it is possible that the tax credits themselves would be automatically be void.*

Generally, being the Managing General Partner of a partnership that actually executes transactions or commitments causes that Managing General Partner to incur potential liabilities. Even though the Developer agreed to indemnify the GHA, that indemnification is only as good as the ability of the other entity to actually perform and the indemnification itself may not include all circumstances whereby contingent liability could occur to the Managing General Partner.

Additionally, were the GHA to participate in this partnership, this would likely cause the GHA to be required to report the financial activity as a component unit in the GHA financial statements and include the activities to be subjected to the GHA audit requirements.

## **HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana  
Notes to the Financial Statements, 2007 – Continued

In May of 2007 the Grambling Housing Authority (GHA) entered into a Cooperative Endeavor Grambling Community Development Service Agreement whereby the GHA appears to agree to be the General Partner in a LIHTC application to develop Serenity Place, an elderly housing development in the city limits of Grambling.

The GHA asserts that, as of the audit completion date, a partnership has not been formed and that no financial transactions have been completed nor committed to.

Accordingly, the GHA reports no activity in its financial statements.

Footnote comments recited above in this footnote relating to Pine Ridge Subdivision generally apply to the Serenity Place development, as modified if the GHA ends up being a general partner of Serenity Place development versus the managing general partner in the Pine Ridge Subdivision development.

### ***NOTE I – FEDERAL COMPLIANCE CONTINGENCIES***

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

### ***NOTE J – ECONOMIC DEPENDANCE***

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$853,136 to the authority, which represents approximately 87% of the authority's total revenue for the year.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
**Housing Authority of the City of Grambling**  
Grambling, Louisiana

I have audited the financial statements of the Housing Authority of the City of Grambling (the authority), as of and for the year ended September 30, 2007 and have issued my report thereon dated March 25, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the authority's financial statements that is more than inconsequential will not be prevented or detected by the authority's internal control.

## HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana  
Report on Internal Control... *Government*  
*Auditing Standards, 2007*  
Page Two

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 25, 2008

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
Housing Authority of the City of Grambling  
Grambling, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the City of Grambling (the authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2007. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the authority's compliance with those requirements.

## HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana  
Report on Compliance...A-133, 2007  
Page Two

In my opinion, the authority complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

### Internal Control Over Compliance

The management of the authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the authority's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana  
Report on Compliance...A-133, 2007  
Page Three

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

March 25, 2008

# HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

Schedule of Current Audit Findings and Questioned Costs  
Fiscal Year Ended September 30, 2007

## Summary Schedule of Auditor's Results:

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the authority.
2. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
3. There were no instances of noncompliance considered material, as defined by the *Government Auditing Standards*, to the financial statements.
4. There were no significant deficiencies required to be disclosed by OMB A-133.
5. The auditor's report on compliance for the major federal award programs for the authority expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no audit findings which the auditor is required to report under OMB A-133, Section 510(a).
7. The programs tested as major programs included:
  1. 14.871 Housing Choice Vouchers

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana

Schedule of Current Audit Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2007

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The authority qualified as a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

None

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**  
Grambling, Louisiana

Schedule of Prior Year Audit Findings  
Fiscal Year Ended September 30, 2007

**FINDING 2006-1 – Housing Choice Vouchers – tenant file deficiencies**

This finding is not repeated

Schedule 3

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**

Grambling, Louisiana

Schedule of Compensation Paid to Board Members  
Fiscal Year Ended September 30, 2007

Board members serve without compensation

**SCHEDULE 4**

**Housing Authority of the City of Grambling  
Grambling, Louisiana  
Schedule of Expenditures of Federal Awards  
For Fiscal Year Ended September 30, 2007**

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Housing and Urban Development:</b>		
Direct Programs:		
Low Rent Public Housing	14.850a	166,825
Housing Choice Voucher Program	14.871	476,042
Public Housing Capital Fund Program	14.872	191,217
Disaster Voucher Program	14.DVP	18,904
Total Federal Expenditures		<u>\$ 852,988</u>

See accompanying notes to schedule of expenditures of federal awards.

# HOUSING AUTHORITY OF THE CITY OF GRAMBLING

Grambling, Louisiana

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2007

### NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

### NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

### NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Low Rent Public Housing	\$166,825
Housing Choice Voucher Program	\$476,042
Public Housing Capital Fund Program	\$191,217
Disaster Voucher Program	\$ 18,904

### NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

### NOTE E- FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be expended during the fiscal year.

Housing Authority of the City of Grambling  
 Schedule 5 – Financial Data Schedule  
 PHA: LA097 FYED: 09/30/2007

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Disaster Voucher Program	Total
111	Cash - Unrestricted	\$121,904	\$532,787	\$0	\$0	\$654,691
114	Cash - Tenant Security Deposits	\$16,625	\$0	\$0	\$0	\$16,625
100	<b>Total Cash</b>	<b>\$138,529</b>	<b>\$532,787</b>	<b>\$0</b>	<b>\$0</b>	<b>\$671,316</b>
121	Accounts Receivable - PHA Projects	\$0	\$1,973	\$0	\$0	\$1,973
122	Accounts Receivable - HUD Other Projects	\$62,054	\$0	\$37,390	\$11,160	\$110,604
125	Accounts Receivable - Miscellaneous	\$787	\$0	\$0	\$0	\$787
126	Accounts Receivable - Tenants - Dwelling Rents	\$1,512	\$0	\$0	\$0	\$1,512
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-1	\$0	\$0	\$0	\$-1
126.2	Allowance for Doubtful Accounts - Other	\$-1	\$0	\$0	\$0	\$-1
120	<b>Total Receivables, net of allowances for doubtful accounts</b>	<b>\$64,331</b>	<b>\$1,973</b>	<b>\$37,390</b>	<b>\$11,160</b>	<b>\$114,854</b>
142	Prepaid Expenses and Other Assets	\$19,773	\$0	\$0	\$0	\$19,773
143	Inventories	\$410	\$0	\$0	\$0	\$410
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$451,678	\$26	\$0	\$0	\$451,704
150	<b>Total Current Assets</b>	<b>\$674,721</b>	<b>\$534,786</b>	<b>\$37,390</b>	<b>\$11,160</b>	<b>\$1,268,057</b>
161	Land	\$120,589	\$0	\$0	\$0	\$120,589
162	Buildings	\$3,861,149	\$0	\$139,895	\$0	\$4,001,044
163	Furniture, Equipment & Machinery - Dwellings	\$65,624	\$0	\$6,212	\$0	\$71,836
164	Furniture, Equipment & Machinery - Administration	\$106,126	\$0	\$20,232	\$0	\$126,358
165	Leasehold Improvements	\$652,476	\$0	\$0	\$0	\$652,476
166	Accumulated Depreciation	\$-3,189,690	\$0	\$-13,837	\$0	\$-3,203,527
167	Construction In Progress	\$0	\$0	\$168,068	\$0	\$168,068
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>\$1,816,274</b>	<b>\$0</b>	<b>\$320,570</b>	<b>\$0</b>	<b>\$1,936,844</b>
180	<b>Total Non-Current Assets</b>	<b>\$1,816,274</b>	<b>\$0</b>	<b>\$320,570</b>	<b>\$0</b>	<b>\$1,936,844</b>
190	<b>Total Assets</b>	<b>\$2,290,995</b>	<b>\$534,786</b>	<b>\$357,960</b>	<b>\$11,160</b>	<b>\$3,194,901</b>
312	Accounts Payable <= 90 Days	\$4,452	\$375	\$0	\$0	\$4,827
321	Accrued Wage/Payroll Taxes Payable	\$2,175	\$0	\$0	\$0	\$2,175
322	Accrued Compensated Absences - Current Portion	\$649	\$565	\$0	\$0	\$1,214
333	Accounts Payable - Other Government	\$9,012	\$0	\$0	\$0	\$9,012
341	Tenant Security Deposits	\$16,625	\$0	\$0	\$0	\$16,625
345	Other Current Liabilities	\$1,088	\$13	\$0	\$2,508	\$3,609
346	Accrued Liabilities - Other	\$30	\$0	\$0	\$0	\$30
347	Interprogram Due To	\$0	\$414,288	\$37,390	\$26	\$451,704
310	<b>Total Current Liabilities</b>	<b>\$34,031</b>	<b>\$415,241</b>	<b>\$37,390</b>	<b>\$2,534</b>	<b>\$489,196</b>
354	Accrued Compensated Absences - Non Current	\$6,326	\$1,116	\$0	\$0	\$7,442
360	<b>Total Noncurrent Liabilities</b>	<b>\$6,326</b>	<b>\$1,116</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,442</b>
300	<b>Total Liabilities</b>	<b>\$40,357</b>	<b>\$416,357</b>	<b>\$37,390</b>	<b>\$2,534</b>	<b>\$496,638</b>
508	<b>Total Contributed Capital</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
508.1	Invested in Capital Assets, Net of Related Debt	\$1,816,274	\$0	\$320,570	\$0	\$1,936,844
511	<b>Total Reserved Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$634,364	\$118,429	\$0	\$8,626	\$761,419
513	<b>Total Equity/Net Assets</b>	<b>\$2,290,638</b>	<b>\$118,429</b>	<b>\$320,570</b>	<b>\$8,626</b>	<b>\$2,698,263</b>
600	<b>Total Liabilities and Equity/Net Assets</b>	<b>\$2,290,995</b>	<b>\$534,786</b>	<b>\$357,960</b>	<b>\$11,160</b>	<b>\$3,194,901</b>

Housing Authority of the City of Grambling  
 Schedule 5 – Financial Data Schedule

703	Net Tenant Rental Revenue	\$102,629	\$0	\$0	\$0	\$102,629
705	Total Tenant Revenue	\$102,629	\$0	\$0	\$0	\$102,629
706	HUD PHA Operating Grants	\$166,825	\$476,042	\$20,672	\$18,904	\$682,443
706.1	Capital Grants	\$0	\$0	\$170,545	\$0	\$170,545
711	Investment Income - Unrestricted	\$278	\$48	\$0	\$0	\$326
715	Other Revenue	\$20,183	\$412	\$0	\$0	\$20,595
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$289,915	\$476,502	\$191,217	\$18,904	\$976,538
911	Administrative Salaries	\$59,601	\$18,087	\$0	\$0	\$77,688
912	Auditing Fees	\$10,866	\$1,565	\$0	\$0	\$12,431
914	Compensated Absences	\$0	\$252	\$0	\$0	\$252
915	Employee Benefit Contributions - Administrative	\$14,869	\$6,074	\$0	\$0	\$20,943
916	Other Operating - Administrative	\$47,885	\$9,184	\$8,248	\$0	\$65,317
924	Tenant Services - Other	\$1,231	\$0	\$0	\$0	\$1,231
931	Water	\$344	\$0	\$0	\$0	\$344
932	Electricity	\$10,555	\$0	\$0	\$0	\$10,555
933	Gas	\$1,332	\$0	\$0	\$0	\$1,332
938	Other Utilities Expense	\$241	\$0	\$0	\$0	\$241
941	Ordinary Maintenance and Operations - Labor	\$1,216	\$0	\$0	\$0	\$1,216
942	Ordinary Maintenance and Operations - Materials and Other	\$15,746	\$0	\$859	\$0	\$16,605
943	Ordinary Maintenance and Operations - Contract Costs	\$52,171	\$0	\$6,976	\$0	\$59,147
945	Employee Benefit Contributions - Ordinary Maintenance	\$329	\$0	\$0	\$0	\$329
961	Insurance Premiums	\$36,832	\$4,095	\$0	\$0	\$40,927
962	Other General Expenses	\$5,879	\$10,938	\$0	\$0	\$16,817
963	Payments in Lieu of Taxes	\$9,012	\$0	\$0	\$0	\$9,012
964	Bad Debt - Tenant Rents	\$727	\$0	\$0	\$0	\$727
968	Total Operating Expenses	\$268,836	\$80,195	\$18,083	\$0	\$367,114
970	Excess Operating Revenue over Operating Expenses	\$21,079	\$426,307	\$175,134	\$18,904	\$841,424
973	Housing Assistance Payments	\$0	\$308,384	\$0	\$15,666	\$324,050
974	Depreciation Expense	\$145,286	\$0	\$9,789	\$0	\$155,075
900	Total Expenses	\$414,122	\$358,579	\$25,872	\$15,666	\$814,239
1001	Operating Transfers In	\$4,589	\$0	\$0	\$0	\$4,589
1002	Operating Transfers Out	\$0	\$0	\$-4,589	\$0	\$-4,589
1010	Total Other Financing Sources (Uses)	\$4,589	\$0	\$-4,589	\$0	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$-119,618	\$117,923	\$180,756	\$3,238	\$182,299
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$2,198,874	\$508	\$331,196	\$5,388	\$2,535,966
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$171,382	\$0	\$-171,382	\$0	\$0
1120	Unit Months Available	974	1,800	0	53	2,827
1121	Number of Unit Months Leased	861	1,104	0	53	2,018
1117	Administrative Fee Equity	\$0	\$-12,127	\$0	\$0	\$-12,127
1118	Housing Assistance Payments Equity	\$0	\$130,566	\$0	\$0	\$130,566

**HOUSING AUTHORITY OF THE CITY OF GRAMBLING**  
Grambling, Louisiana

Status of Prior Year Management Letter Items  
For the Year Ended September 30, 2007

**ML 2006-01**

**Comment** – In each of the last 2 years, the fee accountant has recorded material cash balances that are, in fact, on deposit in Housing Choice Vouchers (HCV) bank accounts incorrectly in the Public Housing Program on the FDS. We have recorded audit AJE's to properly classify the cash in the HCV program with the related inter program.

The PHA should immediately have the HCV program reimburse the Public Housing Program all monies owed to it at the time of the repayment. As well, the PHA should ensure that no program loans monies to any other program in the future.

This comment is not repeated

**ML 2006-02**

**Comment** – In testing the SEMAP report for 9-30-2006, we observed that the PHA should maintain additional support documentation for answers to questions 2b, 5 and 6.

This comment is not repeated.